

SBA Launches GO Loan Program to Help Gulf Coast Small Businesses Hurt By Hurricanes Rita and Katrina

On Nov. 8 the U.S. Small Business Administration announced the roll-out of the Gulf Opportunity Pilot Loan (GO Loan) program. GO Loans will strengthen and expand the role of local commercial banks in accelerating the recovery and rebuilding of Gulf Coast small businesses impacted by Hurricanes Katrina and Rita. This new financing product will allow banks to employ streamlined, expedited processing under the direction of the SBA.

GO-Loans, modeled after the *SBAExpress* loan program, will allow commercial lenders to use their own forms and underwriting to get working capital into the hands of small businesses in the Gulf region quickly. These loans will be available up to \$150,000 dollars; they will have an 85 percent guarantee; and applicants will receive a decision from the SBA in 24 hours or less. GO Loans will be made available through Sept. 30, 2006.

The SBA prescribes maximum interest rates participating banks may charge, but the actual rate is negotiated between the lender and the borrower. Repayment terms are generally between five and 25 years.

The GO Loan program was launched in response to an eagerness expressed by the private sector and the banking community to play an important role in the rebuilding of small businesses.

For complete details on GO Loans, please visit www.sba.gov/financing/goloans.